

Deloitte Tax LLP
111 S. Wacker Drive
Chicago, Illinois 60606-4301
Telephone: 312-486-9858
Thomas C. Hermanson
Tax Services Provider

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**THIRD INTERIM FEE APPLICATION OF DELOITTE TAX LLP FOR
COMPENSATION FOR SERVICES RENDERED AS TAX SERVICES PROVIDER
FROM JULY 1, 2019 THROUGH OCTOBER 31, 2019**

Name of Applicant:	Deloitte Tax LLP
Retained to Provide Professional Services as:	Tax Services Provider
Date of Retention:	Effective <i>Nunc Pro Tunc</i> to October 15, 2018 by Order entered January 22, 2019 [Docket No. 1735]
Period for which Compensation and Reimbursement is Sought:	July 1, 2019 – October 31, 2019
Total Amount of Fees Requested:	\$ 141,363.50
Amount of Expense Reimbursement Sought	\$ <u>0.00</u>
Total Amount of Fees and Expense Reimbursement Sought as Actual, Reasonable and Necessary	\$ <u>141,363.50</u>
This is a(n) _____ Monthly <u>X</u> Interim _____ Final Fee Application/Statement	

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears de Puerto Rico, Inc. (3626)); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation (4658)); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

PRIOR MONTHLY FEE APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
03/07/19 Dkt. 2771	10/15/2018 – 11/30/2018	\$1,001,528.00	\$28,458.18	\$1,001,528.00	\$28,436.80
04/15/19 Dkt. 3212	12/01/2018 – 12/31/2018	\$724,338.50	\$10,156.37	\$724,338.50	\$10,156.37
04/15/19 Dkt. 3218	01/01/2019 – 01/31/2019	\$975,867.00	\$27,305.81	\$975,867.00	\$27,305.81
04/15/19 Dkt. 3219	02/01/2019 – 02/28/2019	\$565,589.75	\$4,349.96	\$561,773.50	\$4,349.96
06/13/19 Dkt. 4228	03/01/2019 – 03/31/2019	\$564,154.00	\$9,051.99	\$564,154.00	\$9,051.99
06/28/19 Dkt. 4386	04/01/2019 – 04/30/2019	\$542,700.75	\$5,068.85	\$542,700.75	\$5,068.85
08/12/19 Dkt. 4816	05/01/2019 – 05/31/2019	\$216,380.75	\$2,437.90	\$216,380.75	\$2,437.90
08/12/19 Dkt. 4819	06/01/2019 – 06/30/2019	\$62,490.50	\$82.17	\$62,490.50	\$82.17
11/21/19 Dkt. 6070	07/01/2019 – 08/31/2019	\$125,251.00	\$0.00	Pending	
11/21/19 Dkt. 6071	09/01/2019 – 09/30/2019	\$8,891.00	\$0.00	Pending	
12/04/19 Dkt. 6134	10/01/2019 – 10/31/2019	\$10,333.00	\$0.00	Pending	

PERSONNEL

For the Third Interim Fee Application Period from July 1, 2019 – October 31, 2019

Professional	Level	Rate	Hours	Fees
Forrest, Jonathan	Partner/Principal	\$975.00	13.2	\$12,870.00
Penico, Victor	Managing Director	\$975.00	0.6	\$585.00
Carleo, Robert	Managing Director	\$850.00	6.3	\$5,355.00
Hermanson, Tom	Managing Director	\$850.00	2.0	\$1,700.00
Hoffman, David	Partner/Principal	\$850.00	1.8	\$1,530.00
Sullivan, Brian	Managing Director	\$850.00	19.3	\$16,405.00
Tzavelis, Elias	Partner/Principal	\$850.00	4.7	\$3,995.00
Fielding, Stephen	Senior Manager	\$725.00	2.1	\$1,522.50
Paxton, Michael	Senior Manager	\$725.00	22.4	\$16,240.00
Butler, Mike	Manager	\$595.00	18.9	\$11,245.50
Corrigan, Kevin	Manager	\$595.00	0.3	\$178.50
Espinola, Jonathan	Manager	\$595.00	42.4	\$25,228.00
Fielding, Stephen	Manager	\$595.00	19.1	\$11,364.50
Yang, Annie	Manager	\$595.00	0.1	\$59.50
Ahmadi, Cyavash	Senior Consultant	\$450.00	8.9	\$4,005.00
Schreiber, Mendy	Senior Consultant	\$450.00	4.1	\$1,845.00
Abrom, Carisa	Senior Consultant	\$325.00	28.2	\$9,165.00
Allegretti, Joe	Consultant	\$325.00	4.3	\$1,397.50
Chatten, Colin	Consultant	\$325.00	40.1	\$13,032.50
Chionchio, Michelle	Consultant	\$325.00	2.4	\$780.00
Hybl, Claire	Consultant	\$325.00	8.8	\$2,860.00
Professional Subtotal :			250.0	\$141,363.50

COMPENSATION BY CATEGORY

For the Third Interim Fee Application Period from July 1, 2019 – October 31, 2019

Categories	Hours	Fees
Preparation of Fee Applications	57.9	\$18,897.00
State Tax Audit Services	14.4	\$10,618.50
Tax Restructuring Services	177.7	\$111,848.00
Fee's Category Subtotal :	250.0	\$141,363.50

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**THIRD INTERIM FEE APPLICATION OF DELOITTE TAX LLP FOR
COMPENSATION FOR SERVICES RENDERED AS TAX SERVICES PROVIDER
FROM JULY 1, 2019 THROUGH OCTOBER 31, 2019**

Pursuant to sections 105, 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively the “Bankruptcy Rules”), Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of New York adopted by the Court on November 25, 2009 (the “Local Rules”), United States Bankruptcy Court of the Southern District of New York’s General Order M-447 signed on January 29, 2013 by Chief Judge Cecelia G. Morris (the “General

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears de Puerto Rico, Inc. (3626)); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation (4658)); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRE Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Order”) and this Court’s Order Pursuant to Sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated November 16, 2018 (the “Interim Compensation Order”) (Docket No. 796), Deloitte Tax LLP (“Deloitte Tax” or “Applicant”), as the Debtors’ tax services provider, hereby submits its third interim fee application (“Third Interim Fee Application”) for the interim compensation of professional services performed by Deloitte Tax for the period commencing July 1, 2019 through and including October 31, 2019 (the “Third Interim Fee Application Period”).

By this Third Interim Fee Application, Deloitte Tax seeks compensation in the amount of \$141,363.50 for the Third Interim Fee Application Period. Deloitte Tax does not seek any reimbursement of expenses for the Third Interim Fee Application Period.

JURISDICTION

1. The Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

STATUTORY BASIS

2. The statutory predicates for the relief requested herein are: (i) sections 328, 330 and 331 of the Bankruptcy Code; (ii) rule 2016 of the Bankruptcy Rules; (iii) rule 2016-1 of the Local Rules; and (iv) the Interim Compensation Order. This Interim Fee Application has been prepared in accordance with General Order 447 and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, effective January 30, 1996 (the “UST Guidelines” and, together with the General Order 447, the “Guidelines”). Pursuant to the Guidelines, a certification regarding compliance with the Guidelines is attached hereto as Exhibit C.

BACKGROUND

3. On October 15, 2018 (the “Petition Date”),² the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ cases are being jointly administered for procedural purposes pursuant to Bankruptcy Rule 1015 (b).

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of these cases are proper under 28 U.S.C. §§ 1408 and 1409.

5. On October 24, 2018, the Office of the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code.

RETENTION OF DELOITTE TAX LLP

6. The retention of Deloitte Tax, as tax services provider was approved effective October 15, 2018 by this Court’s “Order Authorizing the Debtors to Retain Deloitte Tax LLP as Tax Services Provider for the Debtors *Nunc Pro Tunc* to October 15, 2018” entered on or about January 22, 2019 (the “Retention Order”) (Docket No. 1735). The Retention Order authorized the Debtors to employ Deloitte Tax pursuant to the terms and conditions set forth in (i) that certain work order, dated February 1, 2018 to provide certain tax advisory services related to the Debtors’ debt exchange transaction (the “Transaction Work Order”); and(ii) that certain work order, dated October 15, 2018, to provide certain tax advisory services relating to the Debtors’ restructuring (the “Restructuring Work Order”) (collectively, the “Engagement Agreements”) between Deloitte

² All of the Debtors filed for chapter 11 on October 15, 2018, with the exception of SHC Licensed Business LLC (filed on October 18, 2018), SHC Promotion LLC (filed on October 22, 2018) and SRe Holding Corporation (filed on January 7, 2019).

Tax and the Debtors. Pursuant to the Retention Order, Deloitte Tax was authorized to perform and to be compensated for professional services and reimbursed for actual and necessary expenses incurred on behalf of the Debtors effective October 15, 2018, subject to application to this Court as set forth therein.

REQUESTED RELIEF AND BASIS THEREFORE

7. By this Third Interim Fee Application and pursuant to the terms and conditions set forth in the Engagement Agreements, Deloitte Tax requests compensation of 100% of its total fees in the amount of \$141,363.50 during the Third Interim Fee Application Period.

8. All services for which Deloitte Tax requests compensation were performed for or on behalf of the Debtors. Deloitte Tax has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Third Interim Fee Application. There is no agreement or understanding between Deloitte Tax and any nonaffiliated person or unrelated person for the sharing of compensation to be received for services rendered in these chapter 11 cases.

9. The time detail for the Third Interim Fee Application Period is attached hereto as Exhibit A. This statement contains daily time logs describing the time spent by each professional and paraprofessional during the Third Interim Fee Application Period. To the best of Deloitte Tax's knowledge, this Third Interim Fee Application substantially complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the General Order and the Interim Compensation Order (except as set forth herein). Deloitte Tax's time reports are entered and organized by the professional or paraprofessional performing the described services on a daily basis.

10. The names of the partners, principals and professionals, who have rendered professional services in these chapter 11 cases during the Third Interim Fee Application Period,

along with a more detailed identification of the actual services provided, are set forth in the attached Exhibit A.

11. The services rendered by Deloitte Tax during the Third Interim Fee Application Period can be grouped into the categories set forth below. Deloitte Tax attempted to place the services provided in the category that best related to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth in the attached Exhibit A. Exhibit A identifies the professionals and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

12. Deloitte Tax affiliates, Deloitte Transactions and Business Analytics LLP and Deloitte & Touche LLP are also providing services to the Debtors, which were approved by separate retention orders of this Court, both entered on January 22, 2019 (Dockets 1734 and 1736, respectively). The fees and expenses of these entities will be subject of separate fee applications.

SUMMARY OF SERVICES PERFORMED

13. This Third Interim Fee Application covers the fees incurred during the Third Interim Fee Application Period. Deloitte Tax believes it appropriate to be compensated for the time spent in connection with these matters, and sets forth a narrative description of the services rendered for the Debtors and the time expended, organized by project task categories, as follows:

A. Tax Restructuring Services

14. During the Third Interim Fee Application Period, Deloitte Tax performed the following services:

- a. Advised the Debtors regarding the restructuring and bankruptcy emergence process

from a tax perspective;

- b. Assisted the Debtors with documenting, as appropriate, the tax analysis, development of the Debtors' recommendation, observations, and correspondence for multiple proposed restructuring alternatives and related tax matters;
- c. Assisted the Debtors with their efforts to calculate tax basis of their assets and liabilities in each of the Debtors' subsidiaries or other entity interests.
- d. Assisted the Debtors to calculate stock basis in each of the Debtors' subsidiaries or other entity interests.
- e. Advised the Debtors with the preparation of tax modeling to assess the U.S. federal income tax implications of liquidating, disposing of assets, merging or converting entities as part of multiple proposed restructuring alternatives, including the effects on federal and state tax attributes, state incentives, apportionment and other tax planning. The components of the tax modeling included the following:
 - i. Analyzing the Debtors' post-restructuring or post-bankruptcy tax attributes (tax basis in assets, tax basis in subsidiary stock, and net operating loss carryovers) available under the applicable tax regulations and the reduction of such attributes based on the Debtors' operating projections, including a technical analysis of the effects of Treasury Regulation Section 1.1502-28 and the interplay with IRC sections 108 and 1017;
 - ii. Analyzing the Debtors on net built-in gain or net built-in loss position at the time of "ownership change" (as defined under IRC section 382), including limitations on use of tax losses generated from post-restructuring or post-bankruptcy asset or stock sales;
- f. Advised the Debtors on state income tax treatment, modeling, and planning for

restructuring or bankruptcy provisions in various jurisdictions including cancellation of indebtedness calculation, adjustments to tax attributes and limitations on tax attribute utilization;

- g. Advised the Debtors on income tax return reporting of bankruptcy issues and related matters;
- h. Assisted the Debtors in preparing supporting calculations for certain tax representations in connection with asset transfers.

Total Category (Jul. 1, 2019 – Oct. 31, 2019)	Time Expended	Fees
Tax Restructuring Services	177.7 Hours	\$ 111,848.00

B. State Tax Audit Services

15. During the Third Interim Fee Application Period, Deloitte Tax advised the Debtors on responding to tax notices and audits from various taxing authorities, including several New York sales tax assessments and Massachusetts sales tax assessments. Deloitte Tax represented the Debtors in discussions with representatives from the New York State Department of Taxation and Finance and Massachusetts Department of Revenue.

Total Category (Jul. 1, 2019 – Oct. 31, 2019)	Time Expended	Fees
State Tax Audit Services	14.4 Hours	\$ 10,618.50

C. Preparation of Fee Applications

16. During the Third Interim Fee Application Period, staff for Deloitte Tax prepared its monthly fee statements in accordance with the Interim Compensation Order. Deloitte Tax filed its seventh monthly fee application covering the period from May 1, 2019 through May 31, 2019 on August 12, 2019 [Docket No. 4816] and filed its eighth monthly fee statement covering the period from June 1, 2019 through June 30, 2019 on August 12, 2019 [Docket No. 4819]. Deloitte Tax also filed its second interim fee application from March 1, 2019 through June 30, 2019 on August

14, 2019 [Docket No. 4848]. The fees sought for the preparation of monthly fee statements and schedules in this and in prior fee applications represent 1.0% of all fees requested by Deloitte Tax to date for this category.

Total Category (Jul. 1, 2019 – Oct. 31, 2019)	Time Expended	Fees
Preparation of Fee Applications	57.9 Hours	\$ 18,897.00

ALLOWANCE OF COMPENSATION AND ACTUAL AND NECESSARY EXPENSES

A. Compensation Sought

17. Because of the benefits realized by the Debtors, the nature of services provided, the amount of work done, the time consumed and the skill required, Deloitte Tax requests that it be allowed, on an interim basis, compensation for the professional services rendered during the Third Interim Fee Application Period in the sum of \$141,363.50.

18. During the Third Interim Fee Application Period, allowance of compensation in the amount requested would result in a blended hourly billing rate for professionals of approximately \$565.45. The fees charged by Deloitte Tax in these chapter 11 cases are billed in accordance with its existing billing structure and procedures in effect during the Third Interim Fee Application Period.

19. Deloitte Tax respectfully submits that the professional services rendered by Deloitte Tax for the Debtors during the Third Interim Fee Application Period were reasonable, necessary and appropriate to the administration of these chapter 11 cases and related matters.

DELOITTE TAX'S REQUESTED FEES SHOULD BE ALLOWED BY THIS COURT

20. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code “reasonable compensation for actual, necessary services rendered . . . and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). Section 330 sets forth the criteria for the award of compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (e) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (f) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

21. In these chapter 11 cases, Deloitte Tax respectfully submits that the services for which it seeks compensation in the Third Interim Fee Application Period were necessary for and beneficial to the Debtors and were performed economically, effectively, and efficiently. Deloitte Tax further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors. Further, in accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (i) the complexity of these chapter 11 cases; (ii) the time expended; (iii) the nature and extent of the services rendered; (iv) the value of such services; and (v) the costs of comparable services other than in a case under the Bankruptcy Code. Accordingly, the approval of the compensation and expense reimbursement sought herein is warranted.

CERTIFICATE OF COMPLIANCE AND WAIVER

22. Finally, as set forth in Exhibit C attached hereto, the undersigned representative of Deloitte Tax certifies that it has reviewed the requirements of rule 2016-1 of the Local Rules and

that the Application substantially complies with that Local Rule. To the extent that the Application does not comply in all respects with the requirements of Local Rule 2016-1, Deloitte Tax believes that such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, pursuant to the Interim Compensation Order, Deloitte Tax respectfully requests that, for the period from July 1, 2019 through October 31, 2019, the Court (i) grant Deloitte Tax interim allowance of compensation in the amount of \$141,363.50 for professional services rendered during the Third Interim Fee Application Period, (ii) authorize and direct the Debtors to pay the foregoing amounts to the extent not previously paid, and (iii) grant such other and further relief as may be just and proper.

Dated: November 25, 2019
Chicago, Illinois

Respectfully submitted,

/s/ Thomas C. Hermanson
Deloitte Tax LLP
Thomas C. Hermanson
111 S. Wacker Drive
Chicago, Illinois 60606-4301
Telephone: 312-486-9858

TAX SERVICES PROVIDER

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS
FOR PROFESSIONALS IN RESPECT OF THIRD INTERIM FEE APPLICATION
OF DELOITTE TAX LLP FOR COMPENSATION FOR SERVICES RENDERED
AS TAX SERVICES PROVIDER FOR THE DEBTORS
FOR THE PERIOD JULY 1, 2019 THROUGH OCTOBER 31, 2019**

THOMAS C. HERMANSON, deposes and says:

1. I am a managing director of Deloitte Tax LLP (“Deloitte Tax”), which has an office located at 111 S. Wacker Drive, Chicago, Illinois 60606. I make this certification in

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connection with the third interim fee application (the “Application”) of Deloitte Tax, in the above-captioned debtors’ (the “Debtors”) chapter 11 cases.

2. I submit this certification with respect to Deloitte Tax’s compliance with and pursuant to the Court’s General Order M-447, the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York adopted by the Court on November 25, 2009 (the “Local Guidelines”), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330 adopted on January 30, 1996 (the “UST Guidelines”) (collectively, and with the Order Pursuant to Sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated November 16, 2018 (Docket No. 796) (the “Compensation Order”), the “Guidelines”).

3. In compliance with the Guidelines, I hereby certify that:

a. I have read the Application and am familiar with the services for which compensation is being sought that are described therein;

b. To the best of my knowledge, information and belief, the fees and disbursement sought in the Application are in substantial compliance with the Guidelines.

c. The fees and disbursements sought in the Application are billed at rates or in accordance with practice customarily employed by Deloitte Tax for similar services and generally accepted by Deloitte Tax’s clients.

d. Deloitte Tax has not made a profit with respect to the expenses requested in the Application.

e. No agreement or understanding exists between Deloitte Tax and any other non-affiliated or unrelated person or persons for the sharing of compensation received or to be received for professional services rendered in or in connection with these chapter 11 cases.

g. Deloitte Tax has not entered into any agreement with the office of the United States Trustee, the Debtors, any creditor or any other party in interest, for the purpose of fixing the amount of any of the fees or other compensation allowed out of or paid from the assets of the Debtors.

h. Copies of the Application were provided to the appropriate parties on or about the date set for the filing of Applications by the Compensation Order.

/s/ Thomas C. Hermanson
Declarant: Thomas C. Hermanson
Title: Managing Director

Dated: November 25, 2019

EXHIBIT A

**PROFESSIONAL SERVICES TIME DETAIL FOR DELOITTE TAX FOR
THE THIRD INTERIM FEE APPLICATION PERIOD**

JULY 1, 2019 THROUGH OCTOBER 31, 2019

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
07/01/2019				
Chatten, Colin	Categorize fees and expenses incurred by Deloitte Tax into categories.	\$325.00	5.3	\$1,722.50
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.9	\$292.50
07/02/2019				
Chatten, Colin	Discuss categorization of fees and expenses with E. Tzavelis of Deloitte Tax.	\$325.00	0.3	\$97.50
Chatten, Colin	Categorize fees and expenses incurred by Deloitte Tax into categories.	\$325.00	0.7	\$227.50
07/03/2019				
Abrom, Carisa	Edits to April monthly fee statement.	\$325.00	0.3	\$97.50
07/04/2019				
Abrom, Carisa	Revise April monthly fee statement.	\$325.00	0.4	\$130.00
07/08/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.9	\$292.50
07/12/2019				
Abrom, Carisa	Review June fees and expenses.	\$325.00	2.4	\$780.00
Abrom, Carisa	Finalize May monthly fee statement for internal review.	\$325.00	0.8	\$260.00
07/15/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	1.2	\$390.00
07/17/2019				
Abrom, Carisa	Revise May monthly fee statement.	\$325.00	1.2	\$390.00
07/18/2019				
Abrom, Carisa	Email to M. Korycki (M-III) regarding duplicate filing of first interim fee application.	\$325.00	0.2	\$65.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
07/22/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.4	\$130.00
07/29/2019				
Chatten, Colin	Revise June monthly fee application.	\$325.00	1.6	\$520.00
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.7	\$227.50
07/30/2019				
Abrom, Carisa	Revise May monthly fee statement.	\$325.00	1.1	\$357.50
Chatten, Colin	Discuss June monthly fee application and related engagement procedures with E. Tzavelis and S. Fielding of Deloitte Tax.	\$325.00	0.1	\$32.50
Fielding, Stephen	Discuss fee application and related engagement procedures with E. Tzavelis and C. Chatten of Deloitte Tax.	\$595.00	0.1	\$59.50
Tzavelis, Elias	Discuss fee application and related engagement procedures with S. Fielding and C. Chatten of Deloitte Tax.	\$850.00	0.1	\$85.00
07/31/2019				
Abrom, Carisa	Revise May monthly fee statement.	\$325.00	0.7	\$227.50
Abrom, Carisa	Prepare June monthly fee statement.	\$325.00	1.8	\$585.00
Chatten, Colin	Review May monthly fee application.	\$325.00	2.0	\$650.00
08/01/2019				
Abrom, Carisa	Edit June monthly fee statement.	\$325.00	0.9	\$292.50
08/02/2019				
Chatten, Colin	Review revised June monthly fee application.	\$325.00	0.7	\$227.50
08/05/2019				
Abrom, Carisa	Perform additional revisions to May monthly fee statement.	\$325.00	1.2	\$390.00
Abrom, Carisa	Perform additional revisions to June monthly fee statement.	\$325.00	1.6	\$520.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
08/05/2019				
Abrom, Carisa	Prepare draft of second interim fee application.	\$325.00	1.0	\$325.00
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.8	\$260.00
08/07/2019				
Chatten, Colin	Discuss May, June, and Second Interim fee applications with E. Tzavelis and R. Young of Deloitte Tax.	\$325.00	1.0	\$325.00
Chatten, Colin	Review revised June monthly fee application.	\$325.00	0.9	\$292.50
08/08/2019				
Abrom, Carisa	Update May monthly fee statement.	\$325.00	1.0	\$325.00
Abrom, Carisa	Update June monthly fee statement.	\$325.00	1.0	\$325.00
08/13/2019				
Abrom, Carisa	Perform updates to second interim fee application.	\$325.00	2.7	\$877.50
Chatten, Colin	Discuss second interim fee application with E. Tzavelis and R. Young of Deloitte Tax.	\$325.00	0.3	\$97.50
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	1.0	\$325.00
08/14/2019				
Abrom, Carisa	Finalize second interim fee application.	\$325.00	0.3	\$97.50
08/19/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.6	\$195.00
08/29/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.6	\$195.00
09/03/2019				
Abrom, Carisa	Review fees for combined July and August monthly fee statement.	\$325.00	3.1	\$1,007.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
09/03/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.7	\$227.50
09/09/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	1.2	\$390.00
Chatten, Colin	Sort fees and expenses into categories to assist Weil in analyzing which fees are reimbursable under the asset purchase agreement.	\$325.00	3.3	\$1,072.50
09/25/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.5	\$162.50
Chatten, Colin	Review combined monthly July and August fee application.	\$325.00	0.4	\$130.00
09/30/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.8	\$260.00
10/01/2019				
Abrom, Carisa	Prepare combined July-August monthly fee statement.	\$325.00	1.0	\$325.00
10/07/2019				
Abrom, Carisa	Update combined July-August monthly fee statement.	\$325.00	0.4	\$130.00
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.9	\$292.50
10/10/2019				
Abrom, Carisa	Prepare September monthly fee statement.	\$325.00	1.1	\$357.50
10/15/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.4	\$130.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
10/22/2019				
Abrom, Carisa	Update September monthly fee statement.	\$325.00	1.5	\$487.50
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.7	\$227.50
10/25/2019				
Abrom, Carisa	Finalize combined July-August monthly fee statement.	\$325.00	1.5	\$487.50
10/28/2019				
Abrom, Carisa	Finalize September monthly fee statement.	\$325.00	1.0	\$325.00
10/29/2019				
Chatten, Colin	Prepare summary of fees and expenses pursuant to request from M-III.	\$325.00	0.6	\$195.00
Subtotal for Preparation of Fee Applications:			57.9	\$18,897.00

State Tax Audit Services

07/10/2019				
Sullivan, Brian	Review New York proposed audit adjustments.	\$850.00	0.6	\$510.00
07/18/2019				
Chionchio, Michelle	Received a notice from the bureau of reconciliation and mediation services.	\$325.00	0.8	\$260.00
07/19/2019				
Chionchio, Michelle	Received a notice from the bureau of reconciliation and mediation services.	\$325.00	0.1	\$32.50
07/23/2019				
Chionchio, Michelle	Call to NYS collections to confirm that the liability had been paid in full and that there was no need for the hearing.	\$325.00	0.6	\$195.00
07/24/2019				
Chionchio, Michelle	Call to bureau of conciliation and mediation services to determine need for hearing and rescinding petition.	\$325.00	0.1	\$32.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>State Tax Audit Services</i>				
07/24/2019				
Sullivan, Brian	Review Arkansas notice regarding sales tax assessments.	\$850.00	0.2	\$170.00
07/25/2019				
Chionchio, Michelle	Call to bureau of conciliation and mediation services to determine need for hearing and rescinding petition.	\$325.00	0.6	\$195.00
07/29/2019				
Chionchio, Michelle	Email summary outlining steps to go about rescinding the petition since the liability had been paid.	\$325.00	0.2	\$65.00
Yang, Annie	Draft email to B. Sullivan of Deloitte Tax to summarize discussion with New York State Bureau of Concilation and Mediation Services regarding how to withdrawal responsible person's Protest Form.	\$595.00	0.1	\$59.50
07/31/2019				
Chatten, Colin	Discuss outstanding items and procedures for completing certain state tax audit matters with E. Tzavelis, S. Fielding, and B. Sullivan of Deloitte Tax.	\$325.00	0.3	\$97.50
Fielding, Stephen	Discuss outstanding items and procedures for completing certain state tax audit matters with E. Tzavelis, C. Chatten, and B. Sullivan of Deloitte Tax.	\$595.00	0.3	\$178.50
Sullivan, Brian	Discuss outstanding items and procedures for completing certain state tax audit matters with E. Tzavelis, S. Fielding, and C. Chatten of Deloitte Tax.	\$850.00	0.3	\$255.00
Tzavelis, Elias	Discuss outstanding items and procedures for completing certain state tax audit matters with S. Fielding, C. Chatten, and B. Sullivan of Deloitte Tax.	\$850.00	0.3	\$255.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>State Tax Audit Services</i>				
08/12/2019				
Sullivan, Brian	Draft email to B. Griffith (M-III) regarding status of Massachusetts sales tax audit discussions.	\$850.00	0.2	\$170.00
08/14/2019				
Sullivan, Brian	Review New York income tax audit settlement provided by K. Lejkowski (Sears).	\$850.00	0.4	\$340.00
08/20/2019				
Sullivan, Brian	Email to E. Remijan (Weil) regarding Massachusetts sales tax audit.	\$850.00	0.2	\$170.00
08/22/2019				
Sullivan, Brian	Draft email to A. Morrison-Howe (Deloitte) regarding next steps for Massachusetts sales tax audit appeal.	\$850.00	0.3	\$255.00
08/26/2019				
Carleo, Robert	Telephone calls with MA DOR Chief of Litigation Bureau regarding negotiation of liability.	\$850.00	1.2	\$1,020.00
08/27/2019				
Carleo, Robert	Telephone calls with MA DOR attorney regarding process of negotiating liability.	\$850.00	1.6	\$1,360.00
08/28/2019				
Carleo, Robert	Prepare for and call with B. Sullivan and J. Espinola (both Deloitte) regarding the settlement status of the Massachusetts audit.	\$850.00	0.6	\$510.00
Espinola, Jonathan	Call with B. Sullivan and R. Carleo (both Deloitte) regarding the settlement status of the Massachusetts audit.	\$595.00	0.2	\$119.00
Sullivan, Brian	Call with R. Carleo and J. Espinola (both Deloitte) regarding the settlement status of the Massachusetts audit.	\$850.00	0.2	\$170.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>State Tax Audit Services</i>				
09/03/2019				
Carleo, Robert	Discussion with J. DeSimone (Massachusetts Department of Revenue) regarding settlement of claim in bankruptcy.	\$850.00	1.1	\$935.00
09/04/2019				
Carleo, Robert	Review settlement claim in bankruptcy.	\$850.00	0.6	\$510.00
09/05/2019				
Carleo, Robert	Prepare email to B. Sullivan (Deloitte) regarding status of Massachusetts sales tax settlement to assess next steps.	\$850.00	0.8	\$680.00
Espinola, Jonathan	Draft email to R. Carleo regarding status of audit settlements.	\$595.00	0.2	\$119.00
09/06/2019				
Sullivan, Brian	Review email from B. Carleo (Deloitte) regarding status of Massachusetts sales tax settlement to assess next steps.	\$850.00	0.6	\$510.00
09/12/2019				
Carleo, Robert	Discussion with K. Brown (Massachusetts Department of Revenue) regarding procedure for settlement of claim in bankruptcy.	\$850.00	0.4	\$340.00
10/09/2019				
Sullivan, Brian	Email to B. Carleo (Deloitte) regarding status of Sears sales tax settlement negotiation with Massachusetts Department of Revenue.	\$850.00	0.2	\$170.00
10/11/2019				
Sullivan, Brian	Call with K. Lejkowski, R. Boyle and L. Meerschaert (all Sears) to discuss Massachusetts sales tax audit settlement.	\$850.00	0.6	\$510.00
10/14/2019				
Sullivan, Brian	Analyze Delaware treatment of MNT transaction in 2018.	\$850.00	0.3	\$255.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
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State Tax Audit Services

10/16/2019

Sullivan, Brian	Draft email to J. Pollak (Sears) regarding status of Massachusetts sales tax audit settlement discussions with Massachusetts Litigation Bureau Chief.	\$850.00	0.2	\$170.00
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Subtotal for State Tax Audit Services:			14.4	\$10,618.50
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Tax Restructuring Services

07/01/2019

Allegretti, Joe	Call with J. Espinola (Deloitte) to discuss the treatment and relationship related to an intercompany note with Sears Brands Business Unit Corporation.	\$325.00	0.2	\$65.00
Espinola, Jonathan	Call with J. Allegretti (Deloitte) to discuss the treatment and relationship related to an intercompany note with Sears Brands Business Unit Corporation.	\$595.00	0.2	\$119.00
Hermanson, Tom	Research intercompany note writedown and discuss same with SHC audit team.	\$850.00	1.0	\$850.00
Paxton, Michael	Review state attribute reduction model inputs.	\$725.00	1.9	\$1,377.50
Paxton, Michael	Review state attribute reduction model net operating loss allocations.	\$725.00	1.5	\$1,087.50
Sullivan, Brian	Research state tax treatment of Sears Re cancellation of debt income in Sears Brands Business Unit liquidation.	\$850.00	0.9	\$765.00

07/02/2019

Espinola, Jonathan	Draft revisions to state attribute reduction model.	\$595.00	1.0	\$595.00
Espinola, Jonathan	Draft revisions to state cash tax model.	\$595.00	1.6	\$952.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/02/2019				
Espinola, Jonathan	Call with B. Sullivan and M. Paxton (both Deloitte) regarding revisions to state cash tax model and state tax attribute reduction model.	\$595.00	0.6	\$357.00
Espinola, Jonathan	Revise attribute reduction tab based on the intercompany balances and conformity to Treas. Reg. Sec. 1.1502-13.	\$595.00	1.5	\$892.50
Espinola, Jonathan	Call with M. Paxton (Deloitte) regarding state cash tax model and state tax attribute reduction model review points and necessary revisions.	\$595.00	0.5	\$297.50
Paxton, Michael	Call with B. Sullivan and J. Espinola (both Deloitte) regarding revisions to state cash tax model and state tax attribute reduction model.	\$725.00	0.6	\$435.00
Paxton, Michael	Call with J. Espinola (Deloitte) regarding state cash tax model and state tax attribute reduction model review points and necessary revisions.	\$725.00	0.5	\$362.50
Paxton, Michael	Review revision to state attribute reduction model.	\$725.00	2.2	\$1,595.00
Paxton, Michael	Review revision to state cash tax model.	\$725.00	2.8	\$2,030.00
Sullivan, Brian	Call with M. Paxton and J. Espinola (both Deloitte) regarding revisions to state cash tax model and state tax attribute reduction model.	\$850.00	0.6	\$510.00
07/03/2019				
Allegretti, Joe	Call with M. Paxton, S. Fielding, and J. Espinola (Deloitte) regarding short period 2 federal taxable income calculation and the application of Treasury Regulation Sec. 1.1502-36.	\$325.00	0.2	\$65.00
Allegretti, Joe	Call with M. Paxton, S. Fielding, and J. Espinola (Deloitte) regarding the Sears Brands Business Unit liquidation and potential state implications.	\$325.00	0.3	\$97.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/03/2019				
Corrigan, Kevin	Call with M. Paxton and J. Espinola (both Deloitte) regarding state stock basis updates.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Revise state taxable income model pertaining to combined group composition changes.	\$595.00	2.1	\$1,249.50
Espinola, Jonathan	Revise state cash tax model.	\$595.00	1.3	\$773.50
Espinola, Jonathan	Call with M. Paxton, S. Fielding, and J. Allegretti (all Deloitte) regarding short period 2 federal taxable income calculation and the application of Treasury Regulation Sec. 1.1502-36.	\$595.00	0.2	\$119.00
Espinola, Jonathan	Call with M. Paxton, S. Fielding, and J. Allegretti (all Deloitte) regarding the Sears Brands Business Unit liquidation and potential state implications.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Call with M. Paxton and K. Corrigan (both Deloitte) regarding state stock basis updates.	\$595.00	0.3	\$178.50
Fielding, Stephen	Call with M. Paxton, J. Espinola and J. Allegretti (all Deloitte) regarding short period 2 federal taxable income calculation and the application of Treasury Regulation Sec. 1.1502-36.	\$595.00	0.2	\$119.00
Fielding, Stephen	Call with M. Paxton, J. Espinola, and J. Allegretti (all Deloitte) regarding the Sears Brands Business Unit liquidation and potential state implications.	\$595.00	0.3	\$178.50
Hybl, Claire	Update state attribute reduction model.	\$325.00	0.7	\$227.50
Paxton, Michael	Call with S. Fielding, J. Espinola and J. Allegretti (all Deloitte) regarding short period 2 federal taxable income calculation and the application of Treasury Regulation Sec. 1.1502-36.	\$725.00	0.2	\$145.00
Paxton, Michael	Call with S. Fielding, J. Espinola, and J. Allegretti (all Deloitte) regarding the Sears Brands Business Unit liquidation and potential state implications.	\$725.00	0.3	\$217.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/03/2019				
Paxton, Michael	Call with K. Corrigan and J. Espinola (both Deloitte) regarding state stock basis updates.	\$725.00	0.3	\$217.50
Sullivan, Brian	Draft email to V. Los (PWC) regarding state tax impact of cancellation of debt income recognized by Sears Re in SP1 emergence transaction.	\$850.00	0.4	\$340.00
Sullivan, Brian	Review stock basis adjustments for purposes of state attribute reduction model.	\$850.00	0.3	\$255.00
07/08/2019				
Ahmadi, Cyavash	Perform research regarding Wisconsin state treasury reg. 1.1502-36 conformity.	\$450.00	1.0	\$450.00
Ahmadi, Cyavash	Perform research regarding Massachusetts state treasury reg. 1.1502-36 conformity.	\$450.00	1.0	\$450.00
Butler, Mike	Call with E. Tzavelis, S. Fielding, C. Chatten, T. Hermanson, J. Berry, L. McDonnel, and M. Lew of Deloitte; and S. Goldring, M. Hoenig, and E. Remijan of Weil to discuss potential write-down of intercompany debt obligations.	\$595.00	0.5	\$297.50
Butler, Mike	Discuss potential write-down of intercompany debt obligations with E. Tzavelis and C. Chatten of Deloitte Tax.	\$595.00	0.3	\$178.50
Chatten, Colin	Call with E. Tzavelis, S. Fielding, M. Butler, T. Hermanson, J. Berry, L. McDonnel, and M. Lew of Deloitte; and S. Goldring, M. Hoenig, and E. Remijan of Weil to discuss potential write-down of intercompany debt obligations.	\$325.00	0.5	\$162.50
Chatten, Colin	Discuss potential write-down of intercompany debt obligations with E. Tzavelis and M. Butler of Deloitte Tax.	\$325.00	0.3	\$97.50
Espinola, Jonathan	Review research pertaining to whether Massachusetts conforms to Treas. Reg. Section 1.1502-36.	\$595.00	0.3	\$178.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/08/2019				
Espinola, Jonathan	Review research pertaining to whether Wisconsin conforms to Treas. Reg. Section 1.1502-36.	\$595.00	0.2	\$119.00
Espinola, Jonathan	Revise state income tax.	\$595.00	2.1	\$1,249.50
Espinola, Jonathan	Call with M. Paxton (Deloitte) regarding state attribute reduction model.	\$595.00	0.3	\$178.50
Fielding, Stephen	Call with E. Tzavelis, M. Butler, C. Chatten, T. Hermanson, J. Berry, L. McDonnel, and M. Lew of Deloitte; and S. Goldring, M. Hoenig, and E. Remijan of Weil to discuss potential write-down of intercompany debt obligations.	\$595.00	0.5	\$297.50
Hermanson, Tom	Research tax issues associated with intercompany note writedown.	\$850.00	1.0	\$850.00
Sullivan, Brian	Call with M. Butler and M. Paxton (both Deloitte) regarding federal and state tax treatment of intercompany balances in SP1.	\$850.00	0.4	\$340.00
Sullivan, Brian	Research state conformity to Treas. Reg. 1.1502-36.	\$850.00	0.7	\$595.00
Sullivan, Brian	Review updated Sears model with intercompany cancellation of debt income amounts shifting to short tax year 1.	\$850.00	0.9	\$765.00
07/09/2019				
Espinola, Jonathan	Update alternative state income tax model pertaining to New York proposed audit adjustments.	\$595.00	0.6	\$357.00
Espinola, Jonathan	Update alternative state tax attribute reduction model pertaining to New York proposed audit adjustments.	\$595.00	0.7	\$416.50
Espinola, Jonathan	Revise state attribute reduction model based on combined group changes pertaining to Sears Re and Sears Protection.	\$595.00	2.3	\$1,368.50
Espinola, Jonathan	Revise state income tax model based on combined group changes pertaining to Sears Re and Sears Protection.	\$595.00	2.1	\$1,249.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/09/2019				
Espinola, Jonathan	Revise state tax attribute reduction model based on combined group differences.	\$595.00	0.7	\$416.50
Sullivan, Brian	Review updated state model with intercompany cancellation of debt income/bad debt deductions in states that decouple from Treas. Reg. 1.1502-13.	\$850.00	1.4	\$1,190.00
07/10/2019				
Espinola, Jonathan	Finalize revisions to state attribute reduction model and cash tax model pertaining to New York proposed audit adjustments.	\$595.00	1.5	\$892.50
Espinola, Jonathan	Call with M. Paxton (Deloitte) regarding state attribute reduction model revisions.	\$595.00	1.0	\$595.00
Espinola, Jonathan	Revise attribute reduction model for New York proposed audit adjustments.	\$595.00	0.4	\$238.00
Espinola, Jonathan	Revise state tax attribute reduction model based on review points from M. Paxton (Deloitte).	\$595.00	1.0	\$595.00
Paxton, Michael	Research federal and state tax treatment of intercompany balances in SP1.	\$725.00	0.4	\$290.00
Paxton, Michael	Call with J. Espinola (Deloitte) regarding state attribute reduction model revisions.	\$725.00	1.0	\$725.00
Sullivan, Brian	Review state tax model updated for state returns that exclude Sears Re intercompany debt settlements.	\$850.00	0.6	\$510.00
07/11/2019				
Ahmadi, Cyavash	Call with J. Espinola (Deloitte) regarding Treas. Reg. Sec. 1.1502-36 state conformity research needed for state attribute reduction model.	\$450.00	0.2	\$90.00
Espinola, Jonathan	Call with C. Ahmadi (Deloitte) regarding Treas. Reg. Sec. 1.1502-36 state conformity research needed for state attribute reduction model.	\$595.00	0.2	\$119.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/11/2019				
Paxton, Michael	Review state attribute reduction model updates for change in the federal inputs.	\$725.00	1.1	\$797.50
07/12/2019				
Espinola, Jonathan	Draft summary of state intercompany transaction rules as applied to Short Period 1 for the combined returns.	\$595.00	0.8	\$476.00
Espinola, Jonathan	Update state attribute reduction model per updated state income tax model.	\$595.00	0.8	\$476.00
Espinola, Jonathan	Review state income tax model based on review points from M. Paxton (Deloitte).	\$595.00	0.5	\$297.50
Espinola, Jonathan	Review revisions to state tax attribute reduction model.	\$595.00	0.6	\$357.00
Espinola, Jonathan	Analyze impacts of the proposed New York audit adjustments on the New York net operating loss carryovers.	\$595.00	0.3	\$178.50
Paxton, Michael	Review intercompany debt balances by entity for state impact.	\$725.00	1.9	\$1,377.50
Paxton, Michael	Review impact of New York settlement options on state attribute reduction model.	\$725.00	0.8	\$580.00
Paxton, Michael	Review application of excess loss accounts and bad debt deductions in state attribute reduction model.	\$725.00	2.4	\$1,740.00
Sullivan, Brian	Analyze impact of New York proposed adjustments on net operating loss balances subject to attribute reduction.	\$850.00	1.7	\$1,445.00
07/15/2019				
Chatten, Colin	Discuss potential material advisor disclosure statement filing requirements arising from certain restructuring transactions with E. Tzavelis, S. Fielding, and M. Butler of Deloitte Tax.	\$325.00	0.5	\$162.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/15/2019				
Fielding, Stephen	Discuss write-off of intercompany notes to generate bad debt deduction with M. Hoenig, E. Allison, S. Goldring, E. Remijan (Weil), and W. Mcrae (Cleary).	\$595.00	0.5	\$297.50
Fielding, Stephen	Discuss potential material advisor disclosure statement filing requirements arising from certain restructuring transactions with E. Tzavelis, M. Butler, and C. Chatten of Deloitte Tax.	\$595.00	0.5	\$297.50
Fielding, Stephen	Review transactions that occurred in quarter 2 that could result in a material advisor filing for tax purposes.	\$595.00	1.3	\$773.50
Forrest, Jonathan	Review representation letter for Cleary's tax opinion.	\$975.00	0.6	\$585.00
07/16/2019				
Butler, Mike	Review revised representation letter and supporting calculations.	\$595.00	0.9	\$535.50
Butler, Mike	Call with E. Tzavelis, S. Fielding, C. Chatten, and J. Forrest of Deloitte Tax; B. Murphy and N. Weber of M-III; and S. Goldring, M. Hoenig, and E. Remijan of Weil tax to discuss the tax representation letter.	\$595.00	1.0	\$595.00
Butler, Mike	Call with S. Fielding, C. Chatten, B. Sullivan, J. Espinola, and M. Paxton of Deloitte Tax to discuss state tax implications of contemplated intercompany debt settlement transactions.	\$595.00	0.4	\$238.00
Chatten, Colin	Call with E. Tzavelis, S. Fielding, M. Butler, and J. Forrest of Deloitte Tax; B. Murphy and N. Weber of M-III; and S. Goldring, M. Hoenig, and E. Remijan of Weil tax to discuss the tax representation letter.	\$325.00	1.0	\$325.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/16/2019				
Chatten, Colin	Call with S. Fielding, M. Butler, B. Sullivan, J. Espinola, and M. Paxton of Deloitte Tax to discuss state tax implications of contemplated intercompany debt settlement transactions.	\$325.00	0.4	\$130.00
Espinola, Jonathan	Update tax attribute reduction model.	\$595.00	1.0	\$595.00
Espinola, Jonathan	Call with S. Fielding, C. Chaten, M. Butler, B. Sullivan, and M. Paxton of Deloitte Tax to discuss state tax implications of contemplated intercompany debt settlement transactions.	\$595.00	0.4	\$238.00
Fielding, Stephen	Call with E. Tzavelis, C. Chaten, M. Butler, and J. Forrest of Deloitte Tax; B. Murphy and N. Weber of M-III; and S. Goldring, M. Hoenig, and E. Remijan of Weil tax to discuss the tax representation letter.	\$595.00	1.0	\$595.00
Fielding, Stephen	Call with C. Chaten, M. Butler, B. Sullivan, J. Espinola, and M. Paxton of Deloitte Tax to discuss state tax implications of contemplated intercompany debt settlement transactions.	\$595.00	0.4	\$238.00
Forrest, Jonathan	Call with E. Tzavelis, S. Fielding, C. Chaten, and M. Butler, of Deloitte Tax; B. Murphy and N. Weber of M-III; and S. Goldring, M. Hoenig, and E. Remijan of Weil tax to discuss the tax representation letter.	\$975.00	1.0	\$975.00
Paxton, Michael	Call with S. Fielding, C. Chaten, M. Butler, B. Sullivan, J. Espinola of Deloitte Tax to discuss state tax implications of contemplated intercompany debt settlement transactions.	\$725.00	0.4	\$290.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/16/2019				
Sullivan, Brian	Call with S. Fielding, C. Chatten, M. Butler, J. Espinola, and M. Paxton of Deloitte Tax to discuss state tax implications of contemplated intercompany debt settlement transactions.	\$850.00	0.4	\$340.00
Sullivan, Brian	Review revised state tax model.	\$850.00	1.7	\$1,445.00
07/17/2019				
Ahmadi, Cyavash	Prepare Sears Power of Attorney.	\$450.00	0.3	\$135.00
Chatten, Colin	Call with S. Fielding of Deloitte Tax to discuss potential material advisor disclosure filings.	\$325.00	0.4	\$130.00
Fielding, Stephen	Read and provide comment on Sears tax representation letter.	\$595.00	1.9	\$1,130.50
Fielding, Stephen	Call with C. Chatten of Deloitte Tax to discuss potential material advisor disclosure filings.	\$595.00	0.4	\$238.00
Fielding, Stephen	Read and provide comment on Sears tax representation letter for additional comments and edits.	\$595.00	1.5	\$892.50
Forrest, Jonathan	Review revised representation letter.	\$975.00	0.5	\$487.50
07/18/2019				
Ahmadi, Cyavash	Perform research regarding Alaska state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding Arizona state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding California state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding Connecticut state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding District of Columbia state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/18/2019				
Ahmadi, Cyavash	Perform research regarding Idaho state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding Illinois state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding Kansas state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding Kentucky state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding Michigan state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding Minnesota state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding Montana state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding North Dakota state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding Nebraska state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding New Hampshire state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding New Jersey state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding New Mexico state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding Oregon state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/18/2019				
Ahmadi, Cyavash	Perform research regarding Rhoda Island state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding Texas state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding Utah state treasury reg. 1.1502-36 conformity.	\$450.00	0.3	\$135.00
Ahmadi, Cyavash	Perform research regarding Vermont state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding Wisconsin state treasury reg. 1.1502-36 conformity.	\$450.00	0.2	\$90.00
Ahmadi, Cyavash	Perform research regarding West Virginia state treasury reg. 1.1502-36 conformity.	\$450.00	0.4	\$180.00
Butler, Mike	Review calculation supporting representation.	\$595.00	2.2	\$1,309.00
Butler, Mike	Draft email to Cleary regarding questions with respect to tax representation.	\$595.00	0.6	\$357.00
Chatten, Colin	Call with S. Goldring of Weil and E. Tzavelis and S. Fielding of Deloitte Tax to discuss potential material advisor disclosure filings.	\$325.00	0.7	\$227.50
Chatten, Colin	Draft internal email correspondence regarding material advisor disclosure filing obligations.	\$325.00	0.6	\$195.00
Espinola, Jonathan	Draft revisions to state income tax model.	\$595.00	1.6	\$952.00
Espinola, Jonathan	Review state worthless stock deduction and conformity to Treas. Reg. Sec. 1.1502-36.	\$595.00	0.4	\$238.00
Fielding, Stephen	Call with S. Goldring of Weil and E. Tzavelis and C. Chatten of Deloitte Tax to discuss potential material advisor disclosure filings.	\$595.00	0.7	\$416.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
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Tax Restructuring Services

07/18/2019

Fielding, Stephen	Review transactions that occurred in quarter 2 that could result in a material advisor filing for tax purposes.	\$595.00	2.3	\$1,368.50
Forrest, Jonathan	Review representation letter.	\$975.00	0.4	\$390.00
Hybl, Claire	Prepare to finalize Sears state bankruptcy transaction model.	\$325.00	1.6	\$520.00
Hybl, Claire	Prepare to finalize Sears state bankruptcy transaction attribute model.	\$325.00	4.8	\$1,560.00
Paxton, Michael	Review updates to state model.	\$725.00	2.5	\$1,812.50
Tzavelis, Elias	Call with S. Goldring of Weil and S. Fielding and C. Chatten of Deloitte Tax to discuss potential material advisor disclosure filings.	\$850.00	0.7	\$595.00

07/19/2019

Ahmadi, Cyavash	Prepare Sears Power of Attorney.	\$450.00	0.3	\$135.00
Espinola, Jonathan	Review draft revisions to Massachusetts Power of Attorney forms for sales tax matters pertaining to Sears, Roebuck & Co. and Sears Operations LLC.	\$595.00	0.7	\$416.50
Espinola, Jonathan	Review and revise updates to state attribute reduction model.	\$595.00	0.5	\$297.50
Hybl, Claire	Update Sears multi-state bankruptcy tax attribute model.	\$325.00	1.7	\$552.50

07/22/2019

Butler, Mike	Research reportable transaction disclosure requirements.	\$595.00	2.6	\$1,547.00
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Alaska.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Arizona.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in California.	\$595.00	0.3	\$178.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/22/2019				
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Connecticut.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in District of Columbia.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Idaho.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Illinois.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Kansas.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Kentucky.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Maine.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Massachusetts.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Michigan.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Minnesota.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Montana.	\$595.00	0.3	\$178.50
Sullivan, Brian	Prepare Massachusetts Power of Attorney for Miii signature.	\$850.00	0.4	\$340.00
Sullivan, Brian	Review state tax model.	\$850.00	1.9	\$1,615.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/23/2019				
Allegretti, Joe	Work with M-III to provide the necessary support for Item 8 in the Representation letter.	\$325.00	0.4	\$130.00
Butler, Mike	Research loss character in Sears brands transaction.	\$595.00	2.3	\$1,368.50
Butler, Mike	Call with E. Tzavelis, S. Fielding, C. Chatten, J. Forrest, J. Perry, T. Fielman, and K. Klein of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$595.00	0.4	\$238.00
Butler, Mike	Call with E. Tzavelis, S. Fielding, C. Chatten, and J. Forrest of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$595.00	0.5	\$297.50
Chatten, Colin	Call with E. Tzavelis, S. Fielding, M. Butler, J. Forrest, J. Perry, T. Fielman, and K. Klein of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$325.00	0.4	\$130.00
Chatten, Colin	Call with E. Tzavelis, S. Fielding, M. Butler, and J. Forrest of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$325.00	0.5	\$162.50
Chatten, Colin	Discuss potential material advisor disclosure filing obligations with E. Tzavelis and S. Fielding of Deloitte Tax.	\$325.00	0.3	\$97.50
Fielding, Stephen	Discuss potential material advisor disclosure filing obligations with E. Tzavelis and C. Chatten of Deloitte Tax.	\$595.00	0.3	\$178.50
Fielding, Stephen	Call with E. Tzavelis, C. Chatten, M. Butler, J. Forrest, J. Perry, T. Fielman, and K. Klein of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$595.00	0.4	\$238.00
Fielding, Stephen	Call with E. Tzavelis, C. Chatten, M. Butler, and J. Forrest of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$595.00	0.5	\$297.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
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Tax Restructuring Services

07/23/2019

Forrest, Jonathan	Call with E. Tzavelis, S. Fielding, C. Chatten, M. Butler, J. Perry, T. Fielman, and K. Klein of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$975.00	0.4	\$390.00
Forrest, Jonathan	Call with E. Tzavelis, S. Fielding, C. Chatten, and M. Butler of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$975.00	0.5	\$487.50
Tzavelis, Elias	Call with S. Fielding, C. Chatten, M. Butler, J. Forrest, J. Perry, T. Fielman, and K. Klein of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$850.00	0.4	\$340.00
Tzavelis, Elias	Call with S. Fielding, C. Chatten, M. Butler, and J. Forrest of Deloitte Tax to discuss potential material advisor disclosure filing obligations.	\$850.00	0.5	\$425.00
Tzavelis, Elias	Discuss potential material advisor disclosure filing obligations with S. Fielding and C. Chatten of Deloitte Tax.	\$850.00	0.3	\$255.00

07/24/2019

Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Nebraska.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in New Hampshire.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in New Jersey.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in New Mexico.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in New York City.	\$595.00	0.3	\$178.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/24/2019				
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in New York.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in North Dakota.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Oregon.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Rhode Island.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Texas.	\$595.00	0.2	\$119.00
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Utah.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Vermont.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in West Virginia.	\$595.00	0.3	\$178.50
Espinola, Jonathan	Review research regarding conformity to Treas. Reg. Sec. 1.1502-36 in Wisconsin.	\$595.00	0.3	\$178.50
Forrest, Jonathan	Evaluate requirement for material advisor disclosure statement.	\$975.00	2.1	\$2,047.50
Forrest, Jonathan	Call with V. Penico (Deloitte) regarding material advisor disclosure.	\$975.00	0.4	\$390.00
Penico, Victor	Prepare for and call with J. Forrest (Deloitte) regarding material advisor disclosure.	\$975.00	0.6	\$585.00
07/25/2019				
Chatten, Colin	Discuss potential material advisor disclosure filing obligations with E. Tzavelis, S. Fielding, M. Butler, J. Forrest, and M. Schreiber of Deloitte Tax.	\$325.00	0.2	\$65.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/25/2019				
Fielding, Stephen	Discuss potential material advisor disclosure filing obligations with E. Tzavelis, C. Chatten, M. Butler, J. Forrest, and M. Schreiber of Deloitte Tax.	\$595.00	0.2	\$119.00
Forrest, Jonathan	Meeting with M. Schreiber (Deloitte) to discuss the definition of a security under section 165(g) and any potential material advisor disclosure filing obligations.	\$975.00	0.7	\$682.50
Forrest, Jonathan	Review proper treatment of intercompany debt extinguishment.	\$975.00	1.4	\$1,365.00
Forrest, Jonathan	Discuss potential material advisor disclosure filing obligations with E. Tzavelis, C. Chatten, S. Fielding, M. Butler, and M. Schreiber of Deloitte Tax.	\$975.00	0.2	\$195.00
Schreiber, Mendy	Meeting with J. Forrest (Deloitte) to discuss the definition of a security under section 165(g) and any potential material advisor disclosure filing obligations.	\$450.00	0.7	\$315.00
Schreiber, Mendy	Discuss potential material advisor disclosure filing obligations with E. Tzavelis, C. Chatten, S. Fielding, M. Butler, and J. Forrest of Deloitte Tax.	\$450.00	0.2	\$90.00
Schreiber, Mendy	Review material advisor disclosure.	\$450.00	2.9	\$1,305.00
Tzavelis, Elias	Call with S. Goldring, M. Hoenig, E. Remijan, E. Allison of Weil and S. Fielding, M. Butler, C. Chatten, J. Forrest, and M. Schreiber of Deloitte Tax to evaluate potential material advisor disclosure filing obligations.	\$850.00	0.3	\$255.00
Tzavelis, Elias	Discuss potential material advisor disclosure filing obligations with C. Chatten, S. Fielding, M. Butler, J. Forrest, and M. Schreiber of Deloitte Tax.	\$850.00	0.2	\$170.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/26/2019				
Butler, Mike	Discuss potential material advisor disclosure filing obligations with E. Tzavelis, C. Chatten, S. Fielding, J. Forrest, and M. Schreiber of Deloitte Tax.	\$595.00	0.2	\$119.00
Butler, Mike	Review substantially all calculation model.	\$595.00	2.7	\$1,606.50
Butler, Mike	Call with S. Goldring, M. Hoenig, E. Remijan, E. Allison of Weil and E. Tzavelis, S. Fielding, C. Chatten, J. Forrest, and M. Schreiber of Deloitte Tax to evaluate potential material advisor disclosure filing obligations.	\$595.00	0.3	\$178.50
Chatten, Colin	Call with S. Goldring, M. Hoenig, E. Remijan, E. Allison of Weil and E. Tzavelis, S. Fielding, M. Butler, J. Forrest, and M. Schreiber of Deloitte Tax to evaluate potential material advisor disclosure filing obligations.	\$325.00	0.3	\$97.50
Espinola, Jonathan	Call with B. Sullivan and M. Paxton (both Deloitte) and PwC tax regarding updated state income tax model and state attribute reduction model.	\$595.00	0.5	\$297.50
Fielding, Stephen	Call with S. Goldring, M. Hoenig, E. Remijan, E. Allison of Weil and E. Tzavelis, M. Butler, C. Chatten, J. Forrest, and M. Schreiber of Deloitte Tax to evaluate potential material advisor disclosure filing obligations.	\$595.00	0.3	\$178.50
Forrest, Jonathan	Call with S. Goldring, M. Hoenig, E. Remijan, E. Allison of Weil and E. Tzavelis, S. Fielding, M. Butler, C. Chatten, and M. Schreiber of Deloitte Tax to evaluate potential material advisor disclosure filing obligations.	\$975.00	0.3	\$292.50
Paxton, Michael	Call with B. Sullivan and J. Espinola (both Deloitte) and PwC tax regarding updated state income tax model and state attribute reduction model.	\$725.00	0.5	\$362.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/26/2019				
Schreiber, Mendy	Call with S. Goldring, M. Hoenig, E. Remijan, E. Allison of Weil and E. Tzavelis, S. Fielding, M. Butler, C. Chatten, J. Forrest (all Deloitte) to evaluate potential material advisor disclosure filing obligations.	\$450.00	0.3	\$135.00
Sullivan, Brian	Call with M. Paxton and J. Espinola (both Deloitte) and PwC tax regarding updated state income tax model and state attribute reduction model.	\$850.00	0.5	\$425.00
07/28/2019				
Espinola, Jonathan	Update state income tax model per additional revisions from B. Sullivan (Deloitte).	\$595.00	0.3	\$178.50
07/29/2019				
Allegretti, Joe	Call with M. Butler (Deloitte) to discuss the substantially all calculation support for Item 8 on the Representations letter.	\$325.00	0.2	\$65.00
Butler, Mike	Review substantially all calculation in anticipation of call with M-III.	\$595.00	1.3	\$773.50
Butler, Mike	Call with J. Allegretti (Deloitte) to discuss the substantially all calculation support for Item 8 on the Representations letter.	\$595.00	0.2	\$119.00
07/30/2019				
Allegretti, Joe	Call with E. Tzavelis, S. Fielding, C. Chatten, and M. Butler of Deloitte; E. Remijan of Weil; and B. Murphy of M-III to discuss tax representation letter and supporting calculations.	\$325.00	0.4	\$130.00
Allegretti, Joe	Call with E. Tzavelis, S. Fielding, C. Chatten, M. Butler, B. Sullivan, and M. Paxton of Deloitte Tax; E. Remijan, M. Hoenig, and E. Allison of Weil; and B. Murphy of M-III to discuss character and state tax implications of certain transactions.	\$325.00	0.6	\$195.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/30/2019				
Allegretti, Joe	Draft flow of substantially all calculation for the call with M-III Partners to review compilation of the balance sheets.	\$325.00	1.0	\$325.00
Butler, Mike	Call with E. Tzavelis, S. Fielding, C. Chatten, J. Allegretti, B. Sullivan, and M. Paxton of Deloitte Tax; E. Remijan, M. Hoenig, and E. Allison of Weil; and B. Murphy of M-III to discuss character and state tax implications of certain transactions.	\$595.00	0.6	\$357.00
Butler, Mike	Call with E. Tzavelis, S. Fielding, C. Chatten, and J. Allegretti of Deloitte Tax; E. Remijan of Weil; and B. Murphy of M-III to discuss tax representation letter and supporting calculations.	\$595.00	0.4	\$238.00
Chatten, Colin	Call with E. Tzavelis, S. Fielding, M. Butler, J. Allegretti, B. Sullivan, and M. Paxton of Deloitte Tax; E. Remijan, M. Hoenig, and E. Allison of Weil; and B. Murphy of M-III to discuss character and state tax implications of certain transactions.	\$325.00	0.6	\$195.00
Chatten, Colin	Call with E. Tzavelis, S. Fielding, M. Butler, and J. Allegretti of Deloitte Tax; E. Remijan of Weil; and B. Murphy of M-III to discuss tax representation letter and supporting calculations.	\$325.00	0.4	\$130.00
Fielding, Stephen	Call with E. Tzavelis, C. Chatten, M. Butler, J. Allegretti, B. Sullivan, and M. Paxton of Deloitte Tax; E. Remijan, M. Hoenig, and E. Allison of Weil; and B. Murphy of M-III to discuss character and state tax implications of certain transactions.	\$595.00	0.6	\$357.00
Fielding, Stephen	Call with E. Tzavelis, C. Chatten, M. Butler, and J. Allegretti of Deloitte Tax; E. Remijan of Weil; and B. Murphy of M-III to discuss tax representation letter and supporting calculations.	\$595.00	0.4	\$238.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/30/2019				
Paxton, Michael	Call with E. Tzavelis, S. Fielding, C. Chatten, M. Butler, J. Allegretti, B. Sullivan of Deloitte Tax; E. Remijan, M. Hoenig, and E. Allison of Weil; and B. Murphy of M-III to discuss character and state tax implications of certain transactions.	\$725.00	0.6	\$435.00
Sullivan, Brian	Call with E. Tzavelis, S. Fielding, C. Chatten, M. Butler, J. Allegretti, and M. Paxton of Deloitte Tax; E. Remijan, M. Hoenig, and E. Allison of Weil; and B. Murphy of M-III to discuss character and state tax implications of certain transactions.	\$850.00	0.6	\$510.00
Tzavelis, Elias	Call with S. Fielding, C. Chatten, M. Butler, J. Allegretti, B. Sullivan, and M. Paxton of Deloitte Tax; E. Remijan, M. Hoenig, and E. Allison of Weil; and B. Murphy of M-III to discuss character and state tax implications of certain transactions.	\$850.00	0.6	\$510.00
Tzavelis, Elias	Call with S. Fielding, C. Chatten, M. Butler, and J. Allegretti of Deloitte Tax; E. Remijan of Weil; and B. Murphy of M-III to discuss tax representation letter and supporting calculations.	\$850.00	0.4	\$340.00
07/31/2019				
Paxton, Michael	Call with V. Los and T. Stelzer (PWC), K. Lejkowski (Sears) and B. Sullivan (Deloitte) to discuss impact of proposed New York adjust adjustments on state tax attribute reduction model.	\$725.00	0.5	\$362.50
Sullivan, Brian	Call with V. Los and T. Stelzer (PWC), K. Lejkowski (Sears) and M. Paxton (Deloitte) to discuss impact of proposed New York adjust adjustments on state tax attribute reduction model.	\$850.00	0.5	\$425.00
Sullivan, Brian	Draft email to V. Los and T. Stelzer (both PWC) responding to questions regarding treatment of intercompany debt settlements in the state tax model.	\$850.00	0.4	\$340.00

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Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
07/31/2019				
Sullivan, Brian	Respond to questions (via email) from E. Remijan (Weil) regarding state income tax consequences in Louisiana and Oklahoma regarding IRC 166 conformity.	\$850.00	0.3	\$255.00
08/11/2019				
Hoffman, David	Review and provide comment on draft representation letter.	\$850.00	1.8	\$1,530.00
08/12/2019				
Espinola, Jonathan	Revise state taxable income model.	\$595.00	1.0	\$595.00
08/15/2019				
Chatten, Colin	Research whether foreign transfer taxes may apply to the transfer of assets to the liquidating trust.	\$325.00	2.0	\$650.00
08/19/2019				
Espinola, Jonathan	Update state taxable income and attribute reduction model per New York audit adjustments.	\$595.00	1.0	\$595.00
Fielding, Stephen	Research potential non-U.S. transfer taxes on movement of non-U.S. subsidiaries to trust.	\$595.00	1.4	\$833.00
08/20/2019				
Fielding, Stephen	Further research potential non-U.S. transfer taxes on movement of non-U.S. subsidiaries to trust.	\$595.00	1.2	\$714.00
08/23/2019				
Fielding, Stephen	Research potential transfer taxes in non-U.S. jurisdictions.	\$595.00	1.9	\$1,130.50
08/29/2019				
Espinola, Jonathan	Review updated state taxable income model and attribute reduction model based on New York audit changes.	\$595.00	0.3	\$178.50
09/23/2019				
Butler, Mike	Call to discuss potential distribution to be made by ESL with S. Fielding, E. Tzavelis and J. Forrest of Deloitte Tax.	\$595.00	0.6	\$357.00

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
09/23/2019				
Fielding, Stephen	Call to discuss potential distribution to be made by ESL with M. Butler, E. Tzavelis and J. Forrest of Deloitte Tax.	\$725.00	0.6	\$435.00
Forrest, Jonathan	Call to discuss potential distribution to be made by ESL with S. Fielding, E. Tzavelis and M. Butler of Deloitte Tax.	\$975.00	0.6	\$585.00
Forrest, Jonathan	Review net operating loss trading motion to assess next steps.	\$975.00	1.2	\$1,170.00
10/02/2019				
Forrest, Jonathan	Review net operating loss order waiver.	\$975.00	0.6	\$585.00
10/10/2019				
Sullivan, Brian	Call with S. Goldring, E. Remijan, and E. Allison (all Weil) to discuss Delaware tax treatment related to 2018 sale of intercompany notes by Sears Roebuck Acceptance Corp.	\$850.00	0.4	\$340.00
10/17/2019				
Butler, Mike	Call with S. Goldring, E. Remijan of Weil and E. Tzavelis, S. Fielding, C. Chatten, and J. Forrest of Deloitte Tax to discuss status of bankruptcy proceedings and potential tax filing obligations associated with certain restructuring transactions.	\$595.00	0.9	\$535.50
Chatten, Colin	Review Sears Brands Business Unit Corporation transaction to assess whether a reportable transaction or material advisor disclosure filing is required.	\$325.00	0.3	\$97.50
Chatten, Colin	Call with S. Goldring, E. Remijan of Weil and E. Tzavelis, M. Butler and J. Forrest of Deloitte Tax to discuss status of bankruptcy proceedings and potential tax filing obligations associated with certain restructuring transactions.	\$325.00	0.9	\$292.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Date	Description	Rate	Hours	Fees
<i>Tax Restructuring Services</i>				
10/17/2019				
Fielding, Stephen	Call with S. Goldring, E. Remijan of Weil and E. Tzavelis, M. Butler, C. Chatten, and J. Forrest of Deloitte Tax to discuss status of bankruptcy proceedings and potential tax filing obligations associated with certain restructuring transactions.	\$725.00	0.9	\$652.50
Forrest, Jonathan	Review revised net operating loss order.	\$975.00	0.8	\$780.00
Forrest, Jonathan	Call with S. Goldring, E. Remijan of Weil and E. Tzavelis, S. Fielding, M. Butler, and C. Chatten of Deloitte Tax to discuss status of bankruptcy proceedings and potential tax filing obligations associated with certain restructuring transactions.	\$975.00	0.9	\$877.50
Tzavelis, Elias	Call with S. Goldring, E. Remijan of Weil and S. Fielding, M. Butler, C. Chatten, and J. Forrest of Deloitte Tax to discuss status of bankruptcy proceedings and potential tax filing obligations associated with certain restructuring transactions.	\$850.00	0.9	\$765.00
10/29/2019				
Allegretti, Joe	Review Internal Revenue Code Section 165(g)(3) calculations to check if the calculations tied to the tax returns.	\$325.00	1.0	\$325.00
Fielding, Stephen	Call with J. Forrest of Deloitte Tax to discuss gross receipts supporting documentation for potential worthless stock deduction.	\$725.00	0.6	\$435.00
Forrest, Jonathan	Call with S. Fielding of Deloitte Tax to discuss gross receipts supporting documentation for potential worthless stock deduction.	\$975.00	0.6	\$585.00
Subtotal for Tax Restructuring Services:			177.7	\$111,848.00
Total			250.0	\$141,363.50

Sears Holdings Corporation

Deloitte Tax LLP

Fees Sorted by Category for the Fee Period

July 01, 2019 - October 31, 2019

Recapitulation

Name	Rate	Hours	Fees
Forrest, Jonathan	\$975.00	13.2	\$12,870.00
Penico, Victor	\$975.00	0.6	\$585.00
Carleo, Robert	\$850.00	6.3	\$5,355.00
Hermanson, Tom	\$850.00	2.0	\$1,700.00
Hoffman, David	\$850.00	1.8	\$1,530.00
Sullivan, Brian	\$850.00	19.3	\$16,405.00
Tzavelis, Elias	\$850.00	4.7	\$3,995.00
Fielding, Stephen	\$725.00	2.1	\$1,522.50
Paxton, Michael	\$725.00	22.4	\$16,240.00
Butler, Mike	\$595.00	18.9	\$11,245.50
Corrigan, Kevin	\$595.00	0.3	\$178.50
Espinola, Jonathan	\$595.00	42.4	\$25,228.00
Fielding, Stephen	\$595.00	19.1	\$11,364.50
Yang, Annie	\$595.00	0.1	\$59.50
Ahmadi, Cyavash	\$450.00	8.9	\$4,005.00
Schreiber, Mendy	\$450.00	4.1	\$1,845.00
Abrom, Carisa	\$325.00	28.2	\$9,165.00
Allegretti, Joe	\$325.00	4.3	\$1,397.50
Chatten, Colin	\$325.00	40.1	\$13,032.50
Chionchio, Michelle	\$325.00	2.4	\$780.00
Hybl, Claire	\$325.00	8.8	\$2,860.00